

## GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD

Federal Supply Schedule IG 615 provides commercial purchase cards to employees of Federal agencies for purchasing commercially available goods and services for use by the Government. GSA established this program to provide Government agencies with an alternative procurement and payment instrument for purchases under the micro-purchase threshold. While no agency is required to use purchase cards for micro purchases, agencies which choose to use purchase cards as a purchase and payment method must use this program.

This Government purchase card works like any other credit card and is accepted by most vendors who currently accept commercial credit cards. It can also be used to order from the GSA Stock Program through GSA Advantage!.

Government agencies interested in participating in this program must first develop their internal procedures and policy provisions. Once internal procedures and policies are in place, an agency can write a delivery order against the GSA contract.

Each organization/installation must designate an Agency/Organization Program Coordinator when issuing a delivery order against the contract. Upon request, the GSA Contracting Officer will forward an implementation/orientation package to interested agencies/organizations. Frequent meetings and conferences are held with Agency Program Coordinators. Agencies/organizations wishing more information should call (703) 305-7564 or (703) 305-6658.

**Interactive CD-ROM Training and Reference Package.** Before cardholders are issued these purchase cards, it is important that they understand their duty to use the card to make responsible purchases within existing procurement regulations. GSA, in cooperation with several other Federal agencies, has developed standardized micro-purchase training for use with the program. Using the interactive format allows the cardholder to call upon the "instructor" at any time for assistance. The CD-ROM contains text, video, interactive media, and reference documents to provide guidance to cardholders. It contains applicable rules and regulations to educate cardholders on allowable and unallowable types of purchases, and includes catalogs for required sources such as NIB/NISH and UNICOR, plus a list of mandatory GSA schedules. This product is available from the GSA Customer Supply Centers at a cost of approximately \$25 for a single user. For more information, call Mary Lou Benzel, (703) 305-6658, Internet: Mary.Benzel@GSA.GOV.

The following standard operating procedure was written by the Humphreys Engineering Center Support Activity for its supported activities participating in the Government-wide Commercial Credit Card program. This card is also known as the International Merchant Purchase Authorization Card (IMPAC). It will provide useful guidance to those USACE activities wishing to develop their own internal procedures and policy provisions in order to participate in the Government-wide Commercial Credit Card program.

GOVERNMENT-WIDE COMMERCIAL CREDIT CARD  
I.M.P.A.C.  
(International Merchant Purchase Authorization Card)

1. THE PURPOSE OF THIS PAMPHLET:

The purpose of this pamphlet is to provide policies and procedures for the use of the VISA Government Credit Card for small purchases by the U.S. Army Corps of Engineers, Humphreys Engineer Center Support Activity (HECSA). (This card is also known under the acronym I.M.P.A.C., International Merchant Purchase Authorization Card.) All HQUSACE and FOAs supported or serviced by HECSA participating in this program will comply with the procedures in this manual, and to the policies set forth in the Treasury Financial Manual and the Army Federal Acquisition Regulation Supplement (AFAR) to the Federal Acquisition Regulation (FAR), which will govern in case of conflict with this pamphlet.

2. AUTHORITIES:

The General Services Administration (GSA) has entered into a contract with the Rocky Mountain BankCard System (RMBCS) for the latter to provide a government-wide commercial credit card service. The contract was awarded by GSA on February 16, 1994, with four (4) one-year option periods running thru Nov. 28, 1998. The Contracting Office is the office with direct overall responsibility for the Government-wide Commercial Credit Card Service program within HECSA.

3. DEFINITIONS:

a. Account Set-Up Information - Specific information required by the contractor for each cardholder so that an active account can be established for that cardholder. This information is supplied by each ordering agency directly to the contractor.

b. Activity type Codes - Codes developed by and customized to each agency's specific requirements that during the authorization process will alert the contractor to purchases that should be prohibited.

c. Approving Official - An individual who has under his purview a number of cardholders. The Approving Official is responsible for, at a minimum, reconciling monthly each of his cardholder's statements and verifying that all transactions were made for necessary government purchases in accordance with FAR regulations.

d. Cardholder - The individual government employee to whom a written Delegation of Authority has been given granting the use of an I.M.P.A.C. card. The card bears the employee's name and can be used only by this individual to pay for official purchases in compliance with this pamphlet and all applicable regulations.

e. Agency Program Coordinator (APC)- A government employee

designated by the Chief, Contracting Office to perform contract administration within the limits of delegated authority.

f. Delegation of Authority - A document, issued by the Contracting Office, that establishes the individual as an authorized cardholder. This delegation of authority will specify spending and usage limitations unique to that cardholder.

g. Dispute - For items purchased and found defective or faulty, the cardholder can return the item to the merchant who will initiate a credit that will appear on the next month's statement of account. Any billing discrepancies/disputes should be directed to the Disputes Officer in the Contracting Office.

h. Designated Billing Office (DBO) - The Designated Billing Office (or Finance Office) is U.S. Army Corps of Engineers, HECSA Finance & Accounting Branch, (CEHEC-RM-F) 7701 Telegraph Road, Alexandria, Va. 22315-3860. This office will be the payment office for one or more approving officials' statements. After each cardholder documents and verifies each transaction on his statement, he submits it to his Approving Official. The Approving Official then reviews each of his cardholder's statements. Upon his certification, the total set of statements is then forwarded to the DBO for payment and budgetary/financial reconciliation.

i. Tax Exemption - All I.M.P.A.C. purchases for supplies will be exempt from state and local taxes, in accordance with state law. The phrase "U.S. Government Tax Exempt" is embossed on the front of each I.M.P.A.C. card distributed. The APC has tax exempt letters for many of the states.

#### 4. PURPOSE OF THE VISA PROGRAM:

a. Since the 1940's the Federal Government has used various methods and forms to accommodate small purchases of goods and services required by employees. Among such methods are the various types of blanket purchase agreements, but these are impractical without considerable repeat business with the same vendor. Often, the SF 44 and similar forms are not widely accepted by merchants because of the unfamiliarity and delays in payment. So in both of these cases, the number of alternative locations where procurement can be made is limited.

b. In the pursuit of improved program support and efficiency of operations, the government credit card pilot program was initiated by the Department of Commerce under authority of the Office of Management and Budget. The current government wide program under the GSA is the result of the successful completion of the pilot. This program is being implemented in HECSA.

c. The VISA Program offers an efficient, low cost procurement and payment mechanism which significantly shortens the time between need and acquisition, while providing management with comprehensive monthly reports and a thorough audit trail of all purchases.

d. Providing the Government-Wide Commercial Credit Card to agencies will simplify the small purchasing process and improve cash management practices. The Credit Card will achieve this in the following ways:

- Within the existing federal regulations, streamline payment procedures and reduce administrative costs for acquisitions of supplies and services less than \$2,500.00.

- Improve Government cash management practices, e.g., forecasting, consolidating payments, reducing impress funds, etc.

- Provide procedural checks and feedback to improve management control and decision making.

e. RMBCS is the contractor which will maintain all I.M.P.A.C. accounts. RMBCS will issue cards to cardholders and send out monthly statements to cardholders, approving officials, and DBOs. RMBCS will pay merchants within 48 hours of the submission of the charge to RMBCS and will receive reimbursement from the DBO of the Government agency using the card.

## 5. VISA PROGRAM CONTROLS:

In addition to reduced administrative processing costs, the credit card offers several sound internal controls. (NOTE: Some of these controls are activated only when merchants contact the credit card system for authorization. In general, this must be done for a purchase more than \$50 and merchants frequently use Point-Of-Sale terminals through which authorization is requested for all charges, regardless of the amount).

- Single Purchase Limit: Before using the card, cardholders with the exception of Procurement Clerks and Purchasing Agents assigned to the Contracting Office, must be delegated Procurement Authority and appointed as a cardholder or an Approving Official. This authority must include a limitation on the amount the cardholder is permitted to purchase at any single time: \$100, \$250, \$300, \$500, \$1,000, \$1,500, \$2,500, \$5,000, \$10,000, or \$100,000. This information is linked to the card account number via a database at the credit card center. The purchases will not be authorized if the purchase exceeds the cardholder's Delegated Authority. (Note: This limit applies to a total amount, not a per item or line item total. "Splitting" purchases into a series of purchases, each of which falls under the single purchase limit, will be regarded as fraud). Individuals outside the Contracting Office may be delegated single purchase authority up to \$2,500. Individuals within the Contracting Office may be delegated single purchase authority up to \$100,000.

- Monthly Purchase Limit: Also referenced by the cardholder account coding is a monthly purchase limit (based on the billing cycle 'month'). FOAs may establish their own billing cycles in coordination with the RMBCS. This limit is referenced in some places as a "30-day

limit," but the number of days actually depends on the calendar months in which the billing cycle begins and ends.

- Office Limit: An "office limit" is established for each Approving Official by the Approving official's organization. This is an aggregate limitation of the dollar amount of purchases made on all cards under the Approving Office's responsibility within a monthly billing cycle. This amount will be specified on the Approving Official's application. This limit is verified at the time of authorization for a purchase. (This limit must be a multiple of \$100.) The office limit should not exceed the sum of the monthly purchase limits of all cards involved, but may be set lower for purposes of fund control.

- Merchant activity type: Card usage may be restricted by a prohibition on the purchase of certain goods or services. This is enforced by checking the Standard Industrial Classification (SIC) code of the vendor, which is part of the vendor's record at the credit card clearinghouse. For example, an authorization request from an airline, hotel, restaurant or travel agency may be denied because of the merchant's SIC code. Ordinarily, such purchases would be made using a government-issued American Express card, not the VISA credit card. The VISA card is not to be used as a substitute for the American Express card or any other existing government credit card program.) A choice of 92 restriction categories is provided by the Contractor, these being combinations of 19 broad "merchant category codes." The contractor can make available new combinations of the defined Merchant category codes should this be desired by the user. If any FOA desires this, the Contracting Officer or APC should coordinate the change with the RMBCS.

- Statement of Account Validation: At the completion of each billing cycle, the contractor provides a report on purchases to the cardholder. This report, showing date, amount, and place of purchase, forms the basis for the reconciliation process between the cardholder and the Approving Official. The report is known as the Statement of Account and it requires verification of receipt by the Approving Official for all purchases made by the cardholder. The cardholders must also attach their copies of the merchants' sales drafts and/or packing slips to the monthly statement. Recommend that all documentation be sent to the Approving Official within eight (8) calendar days of receipt of the statement. The Statement of Account sent to each cardholder will serve as the official invoice for purposes of the Prompt Payment Act.

- Approving Official Review and Approval of Purchases: At the end of each billing cycle the Approving Official will review the Statement of Account of each cardholder under the Approving Official's responsibility, together with the supporting documentation (credit card transaction slips and/or packing slips) to determine if the purchases are appropriate and items were received. In addition, the Approving Official will receive a summary report for all purchases made by his or her respective cardholders, itemized by date and vendor. The Approving Official will forward the cardholder statements

and all supporting documents to the Finance and Accounting Branch so they arrive within fifteen (15) calendar days after receipt of the statements from the contractor. Approving Officials will work with individual cardholders to resolve questioned items.

- Procurement Review: The Contracting Office will have responsibility for ensuring that all VISA purchases comply with use of required sources and any other applicable rules and regulations, as well as with the delegations of procurement authority granted the individual cardholders. All records connected with the credit card program will be subject to audit by the Contracting Office.

- Purchase Request and Commitment, DA Form 3953: A bulk requisition covering the entire fiscal year will be prepared and approved prior to the purchase of any item with the VISA credit card. The requisition should be funded in an estimated amount that will cover purchases of this type for the entire fiscal year. The approved requisition will constitute the "ordering document" and will be retained by the cardholder to support all purchases made with the VISA credit card. It will be the Approving Official's responsibility to maintain accurate records of all expenditures and be aware of the available balance on the account. (A Business Process Guide is being developed for CEFMS users.)

- Training Requirements: Individuals designated as cardholders under the VISA program must be delegated procurement authority and, as such, are procurement officials, as defined under Section 2 of the Office of Federal Procurement Policy Act. These individuals must receive procurement ethics training and execute the procurement integrity certification required by FAR 3.104-12.

- a. Prior to the issuance of a credit card, the prospective cardholder and cognizant Approving Official must receive an orientation in the following areas. Training must be obtained prior to issuance of the VISA credit card.

- Agency operating procedures.
    - Federal Supply Schedule requirements.
    - Cardholder and Approving Official responsibilities.

- b. Prospective cardholders must also successfully complete one of the following:

- Defense Small Purchase Course (or equivalent)
      - Management of Defense Acquisition Contracts (or equivalent)
      - Specially developed training to include (as a minimum) coverage of the following essential elements:
        - Federal, Defense and Army acquisition regulations,

policies and procedures.

- Competition and price reasonableness
- Documentation requirements
- Prohibition against splitting requirements
  - Required sources of supplies and services as prescribed in FAR, Part 8 and DFARs, Part 208.
- Small business preference
  - Requirements and restrictions of FAR, Part 25 and DFARs, Part 225.

The length of the required orientation and/or specially developed training sessions will be established by the Contracting Officer; however, a minimum of eight (8) hours is still recommended for those individuals who have previously completed formal training in small purchases/contracts. The orientation/training may be conducted by the Contracting Office, senior procurement personnel or other qualified personnel.

#### 6. REQUIRED SOURCES OF SUPPLIES AND SERVICES:

Cardholders must also comply with FAR, Part 8, Required sources of Supplies and Services. Subpart 8.001 - Priorities for Use of Government Supply Sources are listed here for the cardholders convenience:

8.001 - PRIORITIES FOR USE OF GOVERNMENT SUPPLY SOURCES - Except as required by 8.002 or as otherwise provided by law, agencies will satisfy requirements for supplies and services from or through the sources and publications listed below in descending order or priority as described in 41 CFR 101-26.107:

##### (1) Supplies

- (i) Agency inventories.
- (ii) Excess from other agencies (see Subpart 8.1).
- (iii) Federal Prison Industries, Inc. (see Subpart 8.6).
- (iv) Procurement lists of products available from the committee for Purchases from the Blind and Other Severely Handicapped see Subpart 8.7).
- (v) Wholesale supply sources, such as stock programs of the GSA (see 41 CFR 101-26.3), the Defense Logistics Agency (see 41 CFR 101-26.6), the Veterans Administration (see 41 CFR 101-26.704) and military inventory control points.
- (vi) Mandatory Federal Supply Schedules (see Subpart 8.4).
- (vii) Optional use Federal Supply Schedules (see subpart 8.4).
- (viii) Commercial sources (including educational and nonprofit institutions).

(2) Services.

- (i) Procurement lists of services available from the committee for Purchase from the Blind and Other Severely Handicapped (see Subpart 8.7).
- (ii) Mandatory Federal Supply Schedules (see Subpart 8.4) and mandatory GSA term contracts for personal property rehabilitation (see 41 CFR 101-42.1)
- (iii) Optional use Federal Supply Schedules (see Subpart 8.4) and optional use GSA term contracts for personal property rehabilitation (see 41 CFR 101-42.1)
- (iv) Federal Prison Industries, Inc. (see Subpart 8.6), or other commercial sources (including educational and nonprofit institutions).

Purchases can also be performed at post exchanges.

Sources other than those listed in paragraph (a) may be used as prescribed in 41 CFR 101-26.301 and in an unusual and compelling urgency as prescribed in 6.302-2 and in 41 CFR 101-25.101-5.

7. RESPONSIBILITIES:

a. Contractor: The contractor, Rocky Mountain BankCard System (RMBCS), provides credit for all VISA uses, certifying that such uses are legitimate as to amount and Standard Industrial Classification codes authorized for the particular cardholder. The contractor produces and disseminates credit card statements and investigates all amounts disputed by the Contracting Agency.

b. Contracting Officer (CO)/Agency Program Coordinator (APC): The CO/APC maintains a liaison with the Contractor, acting as a point of contact to discuss any matters that may arise due to government credit card use. The CO/APC will receive applications from Approving Officials and forward them to the Contractor. The CO/APC will also provide written or electronic confirmation of all card cancellations to the Contractor. The CO/APC will be in the Contracting Office.

c. Designated Billing Office (DBO): The DBO examines and pays the Contractor's invoices and records the credit card payment data in the accounting system.

d. Contracting Office: The Contracting Office formally delegates limited contracting authority for VISA purchases to cardholders who have no other such authority; coordinates all training for cardholders, Approving Officials and others involved in the VISA program; receives application forms for cardholders and Approving Officials and forwards them to the contractor through the CO/APC; and performs spot check reviews of all credit through the CO/APC; and performs spot check reviews of all credit card invoices to ensure that the card use is in compliance with the FAR, DFARS, and other applicable procurement-related rules and regulations. The Contracting



Office has authority for immediate revocation of credit cards should abuse be discovered or suspected. The Contracting Office may occasionally authorize the contractor to accept deviations from preestablished single purchase and/or monthly dollar limits in emergency situations.

e. Director/Office Chief: The Director/Office Chief will recommend, to the Contracting Office, the names of personnel to be designated as cardholders and Approving Officials within their organization and with the Contracting Office, establish the monthly and office limits. This official will also recommend single purchase limits for all cardholders in the organization. The Director/Office Chief will be responsible for notifying the CO/APC when naming or removing cardholders and Approving Officials, transferring cardholders between Approving Officials, or changing any of the mentioned monetary limits.

f. Approving Official: An individual in a supervisory or leader position with the authority and knowledge to control funds within the respective operation or program and to assign correct accounting information to each expenditure, who will verify the Statement of account of an assigned group of cardholders. Each Approving Official receives a monthly report on the VISA card activity of all assigned cardholders from the Contractor, and annotated statements and additional purchase documentation from the individual cardholders. Approving Officials will verify that PR & C 's are established in the accounting system for each of the cardholders. No Approving Official will accept as a cardholder any person to whom he or she is subordinate, nor will any cardholder act as his or her own Approving Official. The Approving Official also serves as the Receiving Official for the purpose of verifying receipt of all items purchased with the VISA Credit card. Each Approving Official must have a statement sent by the contractor within five (5) working days after the end of each billing cycle. The Approving Official Statement will comprise a copy of each cardholder statement, with the certification and signature lines deleted, for which he or she has approval responsibility. The Approving Official must review each of his or her cardholder statements and verify that all transactions made were in the interest of the Government, and that purchases were made in accordance with all FAR small purchase provisions and mandatory sources of supply requirements. The Approving Official must then forward all certified statements to the DBO within fifteen (15) calendar days after receipt of the statements from the contractor. The Approving Official will submit the approved monthly statement to DBO for review and payment. Should the Approving Official not receive one of the cardholder statements, it is his or her responsibility to contact the cardholder and have the statement furnished immediately.

g. Cardholder: Each cardholder is responsible for using the credit card strictly in accordance with the guidelines herein and any additional guidelines issued by the cardholder's Approving Official or organization. The cardholder will annotate his or her statement of account and provide it to his or her Approving Official within eight (8) calendar days of receipt. (Note: if a cardholder's statement of

account is not received by the DBO within twenty (20) calendar days of the statement date, the Director/Office Chief of the cardholder's organization will be contacted by the Finance and Accounting Branch. Should the statement of account not be received within an additional twenty-five (25) calendar days, the card may be suspended by the CO/APC.

The cardholder will aid the contractor in any investigation of disputed charges.

Upon termination of employment with the FOA, or upon demand of the Approving Official or Chief, Contracting Office, the cardholder will cut in half and turn in the VISA card to the Approving Official. The Approving Official will notify the APC immediately. Cardholders who transfer from one FOA to another will notify the APC immediately. Should the cardholder need to utilize their card at the new location, the Approving Official at the new location will notify the APC immediately for transfer of authority from one Approving Official to another.

#### 8. PROCUREMENT ETHICS AND STANDARDS OF CONDUCT:

a. Federal laws and regulations place restrictions on the actions of Government personnel. Intentional use of the Card for nonapproved purposes will be considered an attempt to commit fraud against the United States Government and will result in immediate cancellation of the card and immediate disciplinary action, ranging from reprimand to removal, against the cardholder under applicable Department of Army procedures. The cardholder will be held personally liable to the Government for the amount of the non approved purchases, and may be subjected to a fine of not more than \$10,000, or imprisonment for not more than five (5) years, or both, under 18 U.S.C. S. 287.

b. Federal Acquisition Regulation (FAR): The FAR at 3.202 and 3.101-2 establishes general guidelines for all agencies. These regulations forbid any conflict of interest in Government contractor relationships. No Government employee may solicit or accept any gratuity, gift, favor, entertainment or anything of monetary value from any part doing business with or seeking to obtain business with the employee's agency. In addition, all Government agencies are required to prescribe their own standards of conduct outlining agency exceptions to FAR 3.101-2 and disciplinary actions for persons violating those standards (see DODD 5500.7, Standards of Conduct and DODD 5500.7.R, Joint ethics Regulation). It is the responsibility of each employee to know and follow all general and agency standards of conduct.

c. Executive Order 11222: The foundation for agency policy on ethical conduct is an executive order. The broad principles of Executive Order 11222 illustrate why poor judgment could cause an employee to inadvertently do something unethical. Under this Executive Order, employees are to avoid any action that might result in or create an appearance of:

-Using public office for private gain.

- Giving preferential treatment to any person or organization.

- Impeding Government efficiency or economy.

- Losing independence or impartiality of action.

- Making a Government decision outside of official channels.

- Adversely affecting public confidence in the Government's integrity.

#### 9. PROCEDURES FOR OBTAINING THE CREDIT CARD:

a. Organizations electing to participate in the VISA program will contact the Contracting Office for application forms, guidance and determination of the applicant's eligibility to have procurement authority granted.

b. An Approving Official must be designated by filing a completed application (I.M.P.A.C. Approving Official Account Set-Up Information) with the APC. The APC will review the form and make any corrections, as required. In order to keep from overburdening the Approving Official, there generally should be not more than six (6) cardholders per Approving Official.

c. After processing by the Contracting Office, the applications will be forwarded to RMBCS. The APC will maintain a file of all processed applications.

d. The following information must appear on the application:

-Level 2, 3 and 4 Numbers and Names: leave blank

-Fill in the office name and the Approving Official's name and office address and telephone number, and the office limit.

- Leave blank the space for the Account Number and everything below it.

e. Cardholders can be nominated by each Approving Official, who submits the requisite applications (I.M.P.A.C. Cardholder Account Set-Up Information) to the Contracting Office. It is the Contracting Office's responsibility to issue or deny each cardholder the necessary delegation of procurement authority.

f. The following information must be given on each cardholder application:

- Level 2, 3 and 4 Numbers and Names: leave blank.

- Approving Official Account Number: Fill in if already

established; otherwise, leave blank.

- The office name and the cardholder's name and office address and telephone number follow.

- Next, fill in the 30-Day Limit for the cardholder (actually monthly limit); the code for the cardholder's Single Purchase Limit 00 for \$100; 01 for \$500; 02 for \$1,000; 03 for \$2,000; 04 for \$2,500; 05 for \$10,000; 06 for \$100,000; 07 for \$250; 08 for \$5,000; 09 for \$300; and 10 for \$1,500, (within the Corps of Engineers, codes 05 and 06 are restricted to individuals in the Contracting Office); and the Merchant Activity Type Code. Normally this will be 81.

- Finally the Approving Official must provide the default accounting code for each cardholder, reflecting the purchases that cardholder is likely to make most often. This is to consist of:

- (1) Appropriation (e.g., 96x4902)
- (2) Fiscal Station Number (e.g., S96330)
- (3) F&A Organization Code (e.g., EA)
- (4) Cost Account (e.g., VW60120000000000)

Items 1 and 2 will be entered on line 1 of the Master Accounting Code and Items 3 and 4 on line 2.

#### 10. WHEN THE CREDIT CARD MAY NOT BE USED:

a. All cardholders, Approving Officials and Office Chiefs will be responsible for adhering to the following guidelines on VISA use, and any additional guidelines which may be issued later.

b. All cardholders will follow all applicable regulations. The credit card simply provides a new mechanism for acquisition. Its use must not conflict with established rules and regulations.

c. Personnel who do not include procurement among their normal duties must be issued positive guidelines by the Contracting Office on what may be bought using the card, rather than what may not. The following general guidelines do not preclude the Chief, Contracting Office from issuing guidelines of his own. Information on the various authorizations required for procurement of specific goods should be attached to the cardholder's Delegation of Procurement Authority.

d. All required authorizations must be obtained before purchase, and all applicable property management regulations will be followed after purchase. Special attention should be given to the purchases of the following: motor vehicles, firearms, duplicating equipment, office furnishings, audiovisual equipment (including televisions, recorders and radios), telephone equipment, and micrographic and reprographic equipment. Any credit card purchases involving the aforementioned will first be cleared through Chief,

Logistics Management Office (LEO) or Chief, Information Management Office (IMO) respectively, prior to the purchase of any of the above items. A MFR (or other approval), should be Attached to the Statement of Account indicating when the approval from the Chief LEO or Chief, IMO was obtained. This MFR should include the item(s) description and/or asset identification number(s). (The item(s) purchased must be the SAME ITEM as receiving approval to purchase). The credit card will not be used for the purchase of books or periodicals. Such acquisitions will be made exclusively in the IMO.

e. Procurement of certain services such as consultant, printing, (including binding) and communications (telephonic, radio phonic), or other electronic services require specific authorizations. Minor construction will have required local approvals and will not exceed \$2,000.00.

f. The credit card will not be used to purchase, rent, or lease any office space or other real property (including parking spaces).

g. The credit card will not be used for airline, bus, boat or train tickets, motor vehicle rental, hotel lodging or subsistence cost, the purchase of meals or any other services for which the Government Travel card (American Express) would be appropriate.

h. The credit card will not be used to pay utility bills (e.g., gas, electric, water, telephone, etc.).

i. Supplies, furniture and equipment available from mandatory sources such as the GSA will not be purchased with the VISA credit card except in quantities required for emergency needs and then the approval of the Chief, LEO must be obtained. Cardholders are responsible for providing a Material Inspection Report (DD-250) to the Chief, LEO for accountable property with a value more than \$100.00. Accountable property is defined as an item that is non-expendable, does not lose its identity with use, and requires formal accountability throughout the life of the item. This paragraph shall NOT be construed as a prohibition against the use of the "UNICOR Quick Ship Credit Card Catalog," which may be used by cardholders subject to local procedures and applicable property management regulations.

j. All requisitions for computer supplies and equipment will be coordinated with and approved by the Chief, IMO in accordance with local procedures, prior to purchase with the VISA credit card.

k. Use of the VISA credit card for cash advances is prohibited.

#### 11. HOW TO USE A CREDIT CARD:

a. The credit card has the cardholder's name embossed on it and can be used only by that individual. No other person, whether supervisor, Approving official, or anyone else, may use this card. The card is designed with the great seal of the United States and has the words "United States of America" imprinted on it to avoid being

mistaken for a personal credit card. This card may not be used for personal purchases such use may subject the cardholder to administrative action ranging from reprimand to removal.

b. Cardholders must exercise prudence in safeguarding their government credit card against theft or loss. A card will not be "lent" by the cardholder to any other person, nor will a cardholder allow another person to use the respective card account number for ordering. The account number should be disclosed only as is necessary for the operation of the card (e.g., to the concerned vendors). Such practices may subject the cardholder to administrative action.

c. The credit card clearinghouse rules require most purchases more than \$50.00 to be authorized before the merchant completes the purchase. In fact, many merchants now use electronic authorization methods allowing them to seek authorization on all purchases. Each card carries restrictions as to the type of merchant from which purchases may be made, the single purchase limit established in the respective Delegation of Authority, and the total monthly dollar purchase limit (also stated in the Delegation of Authority), as well as the office limit.

d. Use of the credit card will meet the following conditions:

(1) The total of a single purchase may comprise multiple items and cannot exceed the authorized single purchase limit stated in the cardholder's Delegation of Authority (purchases will NOT be split in order to stay under this limit);

(2) The supplies or services purchased must be immediately available. BACK ORDERING IS PROHIBITED.

e. Several methods are available to complete the purchase when using the card. Each method requires documentation to support and reconcile the purchase, an understanding of tax exempt status and merchant authorization.

f. A Purchase Request and Commitment (PR&C) must be established in the Accounting System prior to any credit card purchases.

g. Oral purchase refers to a procedure where an order is placed or a purchase is made through an oral agreement reached in person or over the telephone. No written purchase order or contract is issued by the Government. The supplies or services are provided by the vendor and payment is made using the Card. Oral purchases may be used to acquire supplies or services that can be described in sufficient detail so the parties to the agreement have a clear understanding of what is being acquired. Oral purchases may only be used when authorized by the FAR or agency regulations and a purchase-order or contract is not required by either the supplier or the Government.

h. Before making a purchase by telephone, the cardholder will call the vendor, ask if he will accept VISA, and get the complete

pricing and delivery information as required in all small purchases. Selection among vendors must be on the basis of the best price to the government. The use of the credit card may only be taken into consideration for selection when the prices, after all other considerations, are equal on the items to be purchased. The cardholder will request the discounts that are received under normal purchasing procedures. All items purchased by telephone order and paid for using the card, which will not be confirmed with a written order, must be delivered by the merchant within the 30-day billing cycle. The order will not be placed without this assurance. All items purchased during one telephone transaction and paid for using the card which will not be confirmed by a written order must be delivered in a single delivery. If an item is not immediately available, no back-ordering is allowed.

i. When purchasing items by phone or over-the-counter, the cardholder should inform the merchant that it is for official U.S. Government purposes and therefore, is not subject to state or local sales tax. The Card will be imprinted with "U.S. Government Tax Exempt.

j. When placing a telephone order to be paid using the card, the cardholder will instruct the vendor to include the following information on the shipping document or packing slip:

(1) Cardholder name and correspondence symbol.

(2) Building number, room number, street address~3, city and state.

(3) Cardholder telephone number.

(4) The term credit cards.

(5) Breakdown of items purchased.

k. When a purchase is made over-the-counter, the cardholder is to obtain a customer copy of the charge slip. The charge slip will become the accountable document when attached to the Statement of Account. (NOTE: DESTROY ALL CARBONS.)

1. The Approving Official will ensure that the disposition of all items, in particular non-consumable items such as accountable equipment, is in accordance with applicable property management regulations.

m. Any necessary authorizations for particular types of equipment (e.g., FIP equipment/supplies) required by the FAR, the DFARS, the individual FOA regulations or any other applicable rules or regulations must be completed with all requisite signatures before an order is made using the government credit card.

n. Payments for purchases made with the VISA card will be made by the DBO, not by the cardholder. The cardholder will not receive any

literature from the contractor other than the Statement of Account, nor will there be any credit check on the cardholder's personal accounts preliminary to issuance, nor will the Contractor be informed of the cardholder's personal address, Social Security Number, or other personal information.

12. CARDHOLDER PROCEDURES FOLLOWING RECEIPT OF MONTHLY STATEMENT:

a. The contractor bank provides the cardholder with a monthly statement summarizing all purchases made during the billing period. Cardholders will not receive a monthly statement if there was no activity during the billing cycle. Upon receipt, the cardholder will review the Statement of Account to identify the item(s) purchased and check it against the Record of Credit Card Purchases.

b. The billing and reconciliation process must be strictly adhered to in accordance with the time frames specified below. Each agency official must ensure that required documentation supports the data on the billing statements. Disputes must be reported immediately.

CREDIT CARD CYCLE STANDARDS

RECEIPT OF STATEMENT MAILED ON 23RD OF THE MONTH DAY 1

CARDHOLDER FORWARDS STATEMENTS WITH A DOCUMENT  
TRANSMITTAL LETTER (DTL) TO APPROVING OFFICIAL DAY 8

APPROVING OFFICIAL FORWARDS STATEMENT TO DBO DAY 15

DBO PAYS CREDIT CARD INVOICE DAY 30

MARK YOUR CALENDARS IN ORDER TO KNOW YOUR RESPONSIBILITY AND THE DATE  
YOU SHOULD RECEIVE BILLING.

c. Items that must be included on each cardholder statement are:

- (1) Statement date
- (2) Cardholder name and work address
- (3) Cardholder account number
- (4) Approving Official name and work address
- (5) Finance office identifier
- (6) Date for each purchase/credit
- (7) Processing number for each purchase/credit
- (8) Merchant name for each purchase/credit
- (9) Merchant location for each purchase/credit



- (10) Amount of each purchase/credit
- (11) Total statement amount
- (12) Certification statement
- (13) Line for cardholder signature and date
- (14) Line for Approving Official signature and date

d. The following procedures must be taken by the cardholder:

(1) Date-stamp or otherwise note the date of receipt on the face of the Statement of Account immediately upon receipt.

(2) Review the Statement of Account for accuracy. Insure the charges on the Statement of Account match the charges you have logged on the "Record of Credit Card Purchases."

(3) Attach all customer draft copies to the statement along with a copy of the Record of Credit Card Purchases.

(4) An explanation must be provided for each CREDIT ITEM appearing on the monthly statement. If the credit is the result of a questioned item from a previous month's statement indicate such along with the identification of the month that the item was originally billed and questioned. If the credit is for a different reason, provide the reason for the credit, if known, and identify the month the item was originally billed.

(5) In the event that any charges are questioned or not recognized by the cardholder, the cardholder will prepare a Statement of Questioned Item.

(6) Annotate the monthly statement with any exceptions to the default accounting information, (if there is default accounting information).

(7) Sign the Statement of Account acknowledging receipt of all items and furnish it (together with any related Statements of Questioned Item, requisitions, sales drafts, etc.) to the Approving Official within eight (8) calendar days of receipt of the statement.

(8) Attach copies of any approvals received from either Chief, LEO or Chief, IMO.

(9) The Record of Credit Card Purchases form and monthly Statement of Account will be forwarded to the APC. This form will be used to track purchases for reporting purposes within HECSA.

It is important that the cardholder check each purchase on the statement to verify its accuracy. If the cardholder has returned an item purchased and received a credit voucher, the statement must be

checked to verify the credit reflected. If the credit is not shown on this Statement, the cardholder will fill out a Statement of Questioned Item and forward it with the Statement of Account to the Approving Official. If the cardholder has purchased items that are not on the statement, the customer copy of the merchant sales draft will be retained by the cardholder until the purchase appears on a Statement of Account.

e. If for some reason the cardholder does not have a customer copy of the merchant sales draft to send with the Statement, the word "lost" must be written by the line involved, and an explanation attached, documenting the items, quantities, item prices and line item totals as accurately as possible in the circumstances.

f. If the cardholder is on travel and not able to review the statement at the time that it is received, arrangements must be made for the Approving Official to review the statement. The cardholder will provide all necessary documentation, including customer copies of sales drafts and requisitions to the Approving Official.

g. Sales taxes are not paid on supply purchases; however, they will be paid on the labor portion only for services charged against your card. The card itself indicates that it is tax exempt, and the vendor should be so advised at the time of the sales transaction. Most states have agreed to honor the tax-exempt status without further documentation; however, some vendors may request the Taxpayer Identification Number (TIN) of the purchaser. This number is available from the DBO.

h. Upon receipt of an item which was previously questioned, the cardholder will determine if the item is to be accepted or returned to the vendor. If the item is returned, no further action is required. If the item is to be accepted, the cardholder will make a copy of the statement where the item was originally billed along with a copy of the original "Statement of Questioned Items and mail both through the Property Book Officer and the Contracting Office to the DBO for payment. The item will be highlighted and a notation added to the statement acknowledging that the item was originally questioned but has now been received and accepted. Both the cardholder and the Approving Official will sign the acknowledgment. The DBO will use this statement to issue a special payment to VISA.

### 13. MONTHLY APPROVING OFFICIAL RESPONSIBILITIES:

a. As mentioned previously, a Statement of Account is mailed directly to each cardholder monthly.

b. Further, each approving officer will receive directly from the contractor, a statement that is a composite of all of the individual cardholders assigned to him or her, and a copy of the individual Statement of Account for each cardholder.

c. The Approving Official must furnish the cardholder's supported copy of each Statement of Account, including, if necessary,

any deviations from the cardholder's default accounting information to the DBO within fifteen (15) calendar days after receipt of the statement by the cardholder.

d. All statements will be submitted to the DBO.

e. Approving Officials will be responsible for keeping their own (summary) copies of credit card statements on file for at least three (3) years following receipt of the Statement.

f. If the cardholder and the Approving Official cannot reach a resolution with the vendor on a questioned item, the Approving Official will forward all Statements of Questioned Items to the Disputes Officer who will be responsible for resolving the questioned item with RMBCS. The Disputes officer is responsible for notifying the Approving Official of the resolution for each questioned item. The Approving Official is then responsible for ensuring that the item is reversed on subsequent statement, if appropriate.

#### 14. PAYMENT OF VISA CHARGES:

The DBO must pay all invoices within 30 days of receipt of the monthly statement by the individual cardholders in order to comply with the Prompt Payment Act. Failure to pay the monthly statement within this time frame will result in an interest penalty payment. If adequate documentation has not been received in the DBO within (20) calendar days of receipt of the monthly statement by the government, the Approving Official concerned will be notified. Should this not be resolved within 25 further calendar days, all cards under the concerned Approving official may be suspended.

#### 15. LOST/STOLEN CARDS:

a. Should a card be lost or stolen, it is essential that the cardholder immediately (within one working day) notify their Approving Official, the APC, and also the contractor bank, RMBCS, as soon as the loss is discovered.

b. The RMBCS can be contacted at (800) 227-6736. Outside the continental United States, call (303) 585-5200 during working hours.

c. If a card is lost, the Approving Official will require the cardholder to complete a report to be filed with the Contracting Office. The cardholder will provide to the Approving Official the following:

- (1) The card number;
- (2) Cardholder's complete name, as it appears on the card;
- (3) The date the card was stolen or lost;
- (4) The date reported to police;

(5) The date RMBCS was notified;

(6) Any purchase(s) made on the day the card was lost/stolen; and

(7) Any other pertinent information.

The Approving Official must file this written report to the CO/APC within five (5) working days of the loss. A new card will be issued by Rocky Mountain within ten (10) working days of the report on the loss or theft. The Federal Government as the cardholder may be responsible for the charges against this card should Rocky Mountain not be notified at once of the loss of the card. The cardholder will not be personally responsible for charges on a lost or stolen card, if reported properly. A card that is found by the cardholder after being reported lost or stolen must be cut in half and given to his or her approving official who will forward it to the APC for written notification to the contractor.

d. Liability: The Government will be liable for use of credit cards by authorized users provided that:

(1) The use is within the monthly and single purchase authorization limits for the Card agreed upon by the contractor and the Government. The Government will also be liable if the cardholder used the card to make a purchase below the merchant Credit Card Association floor limit (therefore keeping the purchase from being electronically authorized), possibly resulting in balance temporarily exceeding the monthly and Single purchase limits.

(2) The use is effected through a merchant whose merchant type code was approved by the contractor for participation in card transactions at the time of the card's use, as evidenced by a list of approved merchant type codes accompanied by the type of business covered by each. This listing will be made available to the Government and promptly updated as appropriate.

e. Card Reissuance: Credit cards will normally be reissued every twelve (12) months to each cardholder. At least 60 days prior to a card's expiration, the contractor will submit a report listing each card scheduled for renewal to the Administrative office identified in the cardholder's account information. The listing may be submitted on a monthly basis as long as it is 60 days prior to the expiration of each credit card noted in the report. The report will include the cardholder's name, account number, expiration date, agency/department, bureau, component and Approving Official's name. Within 30 days of receipt of the cardholder report, the ordering agency will inform the contractor which credit cards should be reissued. No credit cards will be reissued without recommendation by the Approving Official and the approval of the ordering agency.

f. Records Retention: The contractor will maintain records on all transactions for six (6) years from the date of the transaction. The contractor will provide requested information concerning individual transactions within forty-five (45) working days of the

request.